

Section 5- Price Proposal- Services to be offered are to be clearly delineated with summary of each item and whether it is to be included as part of a base cost or an optional service along with the cost for each component.

PRICE PROPOSAL

Estrada Hinojosa proposes the following fee schedule for services provided in relation to long-term debt issued by the City:

Final Par Amount of Bonds	General Obligation	Revenue	Refunding
\$1,000,000	\$12,750	\$15,937	\$15,937
\$2,500,000	\$20,250	\$25,312	\$25,312
\$5,000,000	\$27,750	\$34,687	\$34,687
\$10,000,000	\$40,250	\$50,312	\$50,312
\$20,000,000	\$50,250	\$62,812	\$62,812

**APPENDIX A
COMPENSATION**

In consideration for the services rendered by Estrada Hinojosa & Company, Inc., to the Issuer under the terms and conditions of the attached Agreement, it is understood and agreed that the fee payable to Estrada Hinojosa & Company, Inc. for special projects directed by the Issuer that may not lead to a transaction the following hourly rates apply:

Sr. Vice President-Sr. Managing Director	\$350.00
Vice President	\$275.00
Assistant Vice President	\$175.00
Senior Associate & Analysts	\$125.00
Associate	\$100.00
Administrative	\$ 75.00

Our fee for each issue of debt instruments will be as follows on any given transaction or issue:

Base fee - Any Issue - \$ 6,250

Plus \$6.50	Per	\$1,000	Next	\$1,000,000	Or	\$12,750	For	\$1,000,000	Bonds
Plus \$5.00	Per	\$1,000	Next	\$1,500,000	Or	\$20,250	For	\$2,500,000	Bonds
Plus \$3.00	Per	\$1,000	Next	\$2,500,000	Or	\$27,750	For	\$5,000,000	Bonds
Plus \$2.50	Per	\$1,000	Next	\$5,000,000	Or	\$40,250	For	\$10,000,000	Bonds
Plus \$1.00	Per	\$1,000	Next	\$10,000,000	Or	\$50,250	For	\$20,000,000	Bonds

Fees for revenue bonds or other self-supporting obligations including those obligations placed or directly issued to governmental entities or Private Placements and/or other Debt Instruments involving Escrow Agreements and Refunding Bonds: It is understood and agreed that our fee will be the schedule set out above plus 25%. It is also understood and agreed that we will charge, in addition to our Financial Advisory fee, a computer fee and/or structuring fee and Official Statement or application preparation fee to be negotiated on a case-by-case basis. On State/Federal Grant/Loan or similar Programs, the fees set forth above plus 25% will be used to compute a fee based on the total project cost. In addition, we will bill for out-of-pocket expenses incurred including, but not limited to application fees and various expenses as set forth below. Continuing disclosures will be billed separately on an annual basis in the amount of \$3,000.00 based on client providing necessary information in a timely manner.

Control of Fees and Expenses

At the time that Debt Instruments or Grant Proceeds are delivered, the Company will bill the Issuer for each issue of Debt Instruments or Grant Proceeds an amount which will include the fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the following items, if applicable:

- Bond Counsel fees
- Bond rating and/or credit enhancement fees
- Computer Structuring
- Messenger, overnight delivery, market data technology photocopying, postage, and telephone
- Personal meetings with bond rating agencies and/or credit enhancement providers or lenders
- Preparation and printing of the Notice of Sale, Official Statement, Applications and Uniform Bid Form
- Preparation and printing of physical securities Reports of independent auditors or consultants
- Verification fees
- Travel expenses of Issuer and Company personnel

Our fees are contingent on the receipt of financial assistance and payable solely from proceeds unless an hourly or alternate payment arrangement is made. Expenses are borne by the firm until a fee statement and expense reimbursement are submitted in accordance with the contract between the Issuer and our firm. Our capital base allows Estrada Hinojosa to operate on this basis without creating ongoing costs to the Issuer. At any time between bond issues, Estrada Hinojosa is prepared to report to the Issuer upon request, the hours spent on financial advisory services and the accumulated expenses being carried forward.